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APR 1958

MEMORANDUM FOR: Comptroller

SUBJECT: Comments on Report by Bureau of the Budget,  
"Review of Overseas Personnel Practices in  
Certain Far East Countries."

1. It is believed that Mr. Macy and Mr. Ecker are to be commended on the depth of the report notwithstanding the brevity of the survey trip. In general the facts presented are correctly stated and we agree in principle with the conclusions.

2. General Legislation

The establishment of uniform allowances for overseas civilian personnel will clearly be a boon to this Agency which must at present keep abreast of the allowance structures of all agencies from whom we receive cover.

3. Housing

Except for the remarks on page 6 concerning apartment dwellings, we are in agreement with the report on housing. In our view the leasing or construction of apartment buildings for the sole occupancy of U.S. Government personnel should be avoided. The advantages of living out in the community should not be limited to individuals having representational responsibilities or involved in political, economic, or other types of reporting. It is recognized that in some locations collective apartment dwelling is the only practical solution to housing; e.g.,

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4. Post Differential (Hardship Allowance)

Clearly there are basic inequities in the authorization of Post Differentials. For example, in [REDACTED] no differential is provided and this [REDACTED]

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cited. Any review of the Post Differential authorization for [REDACTED] should be accompanied by a general review, on a world-wide basis.

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#### 5. Transfer Allowance

We enthusiastically concur in any effort to recognize the cost to the individual inherent in any permanent change of station.

#### 6. Travel Per Diem

The expense of travel, especially for medium and lower grade personnel who are not so apt to be entertained and chauffeured about, is not a constant. It involves many diverse elements which are not encountered by the stay-at-home. The traveler is subject to ennui when his day's work is done. If he accepts invitations he must repay the hospitality. If the traveler stays with friends there are gratuities for servants and a present for the hostess or host. If the traveler is without friends and associates his efforts to entertain himself, in the absence of his family, libraries, television and other distractions which at home are free, are apt to be very costly indeed. The deduction of 40 per cent of the per diem in lieu of defraying the actual cost of lodging should, in our opinion, be at the option of the traveler.

#### 7. Representation Allowance and Official Resident Allotment

Nearly all Agency representation has operational motives or developmental undertones. It is difficult to separate pure representation from CDA or DDCI activity. This, together with the fact that the successful execution of the Clandestine Service mission depends to a large extent on ostensibly social contacts, accounts for the seemingly more liberal Agency representation allowances. It should also be noted that the representation allowance to CIA Chiefs of Station includes

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#### 8. Travel and Transportation Allowances

The administration of travel and transportation weight allowances is considerably complicated by the variation in authorization by the several agencies providing cover to CIA personnel. Standardization will be welcomed. With regard to the suggestion that a study be made of the cost of providing U.S. Government vehicles on a rental basis to personnel

stationed abroad, we are inclined to believe: that this could be only partially applied to the Clandestine Services; that the complications in administering the program would more than offset the direct cost savings, if any; and that such problems as liability, insurance, maintenance, and repair would be difficult to resolve.

9. Health and Medical Services

Uniform treatment of civilian overseas personnel as proposed in pending legislation is highly desirable.

10. Personnel Problems

With regard to the suggested increase of the tour of duty at non-hardship posts from two years to three years or more, it is our belief that this would complicate recruiting at the lower grades; can generally be accomplished where desired without the debilitating effect on motivation that accompanies restrictive regulations; and would require a totally different set of standards for determining hardship, i.e., [redacted] might be a hardship because of the cost of living.

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Acting Deputy Director (Plans)